

ENROLLED ORIGINAL

A RESOLUTION

15-788

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

December 14, 2004

To declare the existence of an emergency with respect to the need to require the establishment of a process to invite and evaluate viable private or alternative financing proposals for the construction of a ballpark that would substantially reduce the level of public financing and the amount or duration of the ballpark fee otherwise required by the Ballpark Omnibus Financing and Revenue Act of 2004, and with respect to the need to require a re-estimation within 6 months by the Chief Financial Officer of the land acquisition and infrastructure costs of the South Capitol ballpark site, and, if the re-estimated costs exceed \$165 million to require the Mayor and the Sports and Entertainment Commission to pursue replacement of the South Capitol site with a substantially less costly site.

RESOLVED, BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this resolution may be cited as the "Private or Alternative Stadium Financing and Cost Trigger Emergency Declaration Resolution of 2004".

Sec. 2. (a) Most residents and businesses of the District support the return of Major League Baseball to the District, but not at any cost.

(b) The projected costs of constructing a baseball stadium pursuant to the Ballpark Omnibus Financing and Revenue Act of 2004, passed on 2nd reading on December 14, 2004 (Enrolled version of Bill 15-1028) ("Ballpark Act"), currently range from \$434.7 million, as estimated in the Baseball Stadium Agreement ("Agreement") signed by the Mayor on September 29, 2004; to \$534.8 million, as estimated by the Chief Financial Officer on October 27, 2004; to \$583.8 million, as estimated by the District of Columbia Auditor on November 12, 2004; and to \$614 million, as estimated by The Washington Post news department on November 14, 2004.

(c) The overwhelming majority of the costs of constructing a baseball stadium pursuant to the Ballpark Act will be financed with public funds, mostly from a ballpark fee to be paid annually by the largest District businesses.

(d) The amount of the currently proposed ballpark fee is substantially higher, and the duration of the fee is substantially longer, than the originally proposed ballpark fee, and even

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more substantially higher and longer than the arena fee previously paid by District businesses to assist with land acquisition and infrastructure costs related to the construction of the MCI Center.

(e) Many businesses have expressed concern that the proposed ballpark fee would have an adverse impact upon their businesses, and that the amount and duration of the proposed ballpark fee would be required to be increased even further if the cost of the stadium project runs higher than estimated.

(f) The District's land acquisition and infrastructure costs related to the selected South Capitol ballpark site "may be seriously underestimated.... and not representative of the true costs of the project," according to a report by the District of Columbia Auditor, dated November 12, 2004, which cited several factors:

(1) The \$65 million estimate for land acquisition at the South Capitol site was not based on an appraisal of the 67 properties that must be acquired by the District.

(2) Given the substantial growth of commercial and residential property values in the District, the market value of these properties may be significantly higher than the \$65 million that is currently budgeted. It is likely that the amount needed to purchase these properties may well exceed the \$65 million budget. Further, in order to acquire the properties, the District may have to exercise its eminent domain authority which can be a time consuming and costly process. The Agreement includes stringent deadlines for the District's completion of the stadium, and any delays in meeting these deadlines result in the imposition of large monetary penalties upon the District.

(3) The \$22 million estimate for demolition and site clearing appears low given the number of properties on the site, and the fact that the estimate does not include any costs of removing or remediating environmental hazards that may be found at the site.

(4) The estimate of land cost does not include costs of providing relocation assistance to existing residents and businesses which currently occupy part of the stadium site.

(5) The Agreement's utility cost estimate is based on general knowledge of the site but no specific site analysis.

(6) The Agreement's estimate does not reflect critical infrastructure costs related to the District of Columbia Water and Sewer Authority.

(7) An estimated \$15 million in road and highway improvements estimated by the District Department of Transportation are also not reflected in the budget presented in the Agreement.

(8) Costs of potential modifications, expansions, and improvements to the Navy Yard Metrorail station could cost over \$45 million, which also are not reflected in the Agreement's budget. Although the Chief Financial Officer has noted that the District should not have to pay the full expansion cost since baseball is not the only reason for increasing the size of the station, and that these costs should be shared with the federal government and regional partners, the District of Columbia Auditor has noted that the District paid the full cost of expanding the Gallery Place Metrorail station for the MCI Center, and that the Washington

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Convention Center Authority paid the full cost of expanding the Metrorail station for the new convention center.

(g) The estimates for the South Capitol site assume that only an 1,100-vehicle parking facility needs to be constructed by the District near the stadium, and that such a facility combined with on-street and private parking will be sufficient. By contrast, the parking lots at Robert F. Kennedy Stadium under the control of the District currently accommodate over 10,000 vehicles and 300 buses.

(h) As the cost to be borne by the District and its businesses from the proposed baseball stadium at the South Capitol site has risen substantially from recent initial estimates, and as concerns have increasingly been expressed that the cost is too high and may grow even higher, several private or alternative financing proposals have surfaced, in order to substantially reduce the level of public financing and the amount of the ballpark fee on District businesses that would otherwise be required by the Ballpark Act.

(i) A process needs to be established immediately to formally invite and evaluate the submission of viable alternative or private financing proposals for the construction of a ballpark to determine whether the cost to the District and its businesses can be substantially reduced in a manner that is not inconsistent with the Agreement, and prior to the date on which the first annual ballpark fee must be paid in June 2005.

(j) The District government should immediately undertake a serious effort to substantially lessen the need for public financing for the construction of a ballpark otherwise required by the Ballpark Act by pursuing viable alternative or private financing proposals that are not inconsistent with the Agreement with Major League Baseball.

(k) As the cost to be borne by the District and its businesses from the proposed baseball stadium at the South Capitol site has risen substantially from recent initial estimates, and as concerns have increasingly been expressed that the cost is too high and may grow even higher, an alternative ballpark site could be mutually determined by the parties to the Agreement to be more appropriate in order to substantially reduce the level of public financing and the amount or duration of the ballpark fee on District businesses that would otherwise be required by the Ballpark Act.

(l)(1) As the District takes the initial steps necessary during the next few months to acquire and prepare land at the South Capitol site for construction of a baseball stadium, more information will become available about the actual costs to the District of land acquisition and infrastructure at that site.

(2) As this more realistic information becomes available, and prior to the date upon which the District enters into any obligation to purchase any property on the South Capitol site, the Chief Financial Officer should be required to re-estimate the District's land acquisition and infrastructure costs of that site and provide a report on this re-estimate to the Mayor and the Council.

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(3) If the total amount of these re-estimated costs to the District exceed by \$165 million, then the South Capitol site should be deemed financially unavailable by the District pursuant to the Ballpark Act and the Agreement, and the Mayor and the Sports and Entertainment Commission should be required to pursue replacement of the site with a substantially less costly site in the District, including a site adjacent to Robert F. Kennedy Stadium ("RFK"), subject to the approval of Baseball Expos, L.P., or its successors.

(4) The total cost of constructing a new baseball stadium adjacent to RFK was estimated by the Chief Financial Officer on November 8, 2004, to be \$410 million, or 23% less than the Chief Financial Officer's estimated cost of the South Capitol site.

(5) Selection of an alternative site adjacent to RFK Stadium would permit an immediate, substantial reduction in the level of public financing and the amount of the proposed ballpark fee, due to the substantially less costly land acquisition and infrastructure needs at the RFK site, and also permit the District to realize additional parking revenues of approximately \$2.5 million a year.

(m) The District government should immediately undertake a serious effort to substantially lessen the need for public financing for the construction of a ballpark otherwise required by the Ballpark Act, by pursuing viable alternative substantially less costly sites that are not inconsistent with the Agreement with Major League Baseball.

Sec. 3. The Council of the District of Columbia determines that the circumstances enumerated in section 2 constitute emergency circumstances making it necessary that the Private or Alternative Stadium Financing and Cost Trigger Emergency Act of 2004 be adopted after a single reading.

Sec. 4. This resolution shall take effect immediately.

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A RESOLUTION

15-789

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

December 14, 2004

To declare the existence of an emergency with respect to the need to approve certain tax-related provisions of the Ballpark Omnibus Financing and Revenue Act of 2004.

RESOLVED, BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this resolution may be cited as the "Ballpark Omnibus Financing and Revenue Tax Provisions Emergency Declaration Resolution of 2004".

Sec. 2. (a) The Ballpark Omnibus Financing and Revenue Tax Provisions Emergency Act of 2004 approves certain tax-related provisions of the Ballpark Omnibus Financing and Revenue Act, giving the Office of Tax and Revenue, and other offices within the Office of the Chief Financial Officer, the authority to set up the Ballpark Revenue Fund and make other necessary preparations for collecting and processing sales taxes on tickets of admission, personal property, and certain services at the ballpark.

(b) The Office of the Chief Financial Officer needs to have this authority immediately in order to establish the necessary accounts, systems, and procedures prior to the sale of the first ticket of admission.

Sec. 3. The Council of the District of Columbia determines that the circumstances enumerated in section 2 constitute emergency circumstances making it necessary that the Ballpark Omnibus Financing and Revenue Tax Provisions Emergency Act of 2004 be adopted on an emergency basis.

Sec. 4. This resolution shall take effect immediately.

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A RESOLUTION

15-855

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

December 21, 2004

To declare the existence of an emergency with respect to the need to restore a telecommunications tax reduction provision which was inadvertently repealed.

RESOLVED, BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this resolution may be cited as the "Telecommunications Taxes Reduction Emergency Declaration Resolution of 2004".

Sec. 2. (a) In the Fiscal Year 2005 Budget Support Act of 2004, the so-called "trigger," for the reduction of telecommunications taxes under D.C. Official Code §§ 47-2501 and 3902, was inadvertently repealed.

(b) To fund certain initiatives of the Housing Act of 2002, deed and recordation taxes and telecommunications taxes were increased, together with a provision, the so-called "trigger, to reduce the taxes if increased revenues were collected. Prior to final reading of the Fiscal Year 2005 Budget Support Act of 2004, increased revenues were certified by the Chief Financial Officer and deed and recordation taxes, but not telecommunications taxes, were reduced by amending the law rather than by operation of the trigger. However, when a conforming amendment was made to repeal the trigger for deed and recordation taxes, the trigger for telecommunications taxes was repealed as well. The accompanying emergency bill will restore the trigger. Pursuant to the trigger, the rate for telecommunications taxes will be reduced as of January 1, 1986.

Sec. 3. The Council of the District of Columbia determines the circumstances enumerated in section 2 constitute emergency circumstances making it necessary that the Telecommunications Taxes Reduction Emergency Act of 2004 be adopted after a single reading.

Sec. 4. This resolution shall take effect immediately.

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A RESOLUTION

15-856

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

December 21, 2004

To declare the existence of an emergency with respect to the need to approve a contract for the completion of renovations and improvements to RFK Memorial Stadium prior to the opening day of the 2005 Major League Baseball season.

RESOLVED, BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this resolution may be cited as the "Contract No. CA15-328, Proposed Design/Build Contract of the RFK Memorial Stadium Renovation MLB Projects Emergency Declaration Resolution of 2004".

Sec. 2. (a) On December 3, 2004, a contract (CA15-328) for the renovation of work to RFK Memorial Stadium ("Stadium") was sent to the Council for a 10-day approval. The 10-day review process did not commence until December 13, 2004, which postponed the deemed approval date until December 28, 2004.

(b) The renovations and improvements to the Stadium are necessary to allow the Washington Nationals to play at the Stadium for a charity exhibition game on April 3 and regular season games beginning on April 14, and to permit DC United to resume its soccer home matches in early April.

(c) In order for the renovations and improvements to the Stadium to be completed in time for these events, the contract for the project must be approved immediately.

Sec. 3. The Council finds that the circumstances enumerated in section 2 constitute emergency circumstances making it necessary that the Contract No. CA15-328, Proposed Design/Build Contract of the RFK Memorial Stadium Renovation MLB Project Emergency Approval Resolution of 2004 be adopted on an emergency basis.

Sec. 4. This resolution shall take effect immediately.

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A RESOLUTION

15-857

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

December 21, 2004

To approve, on an emergency basis, a Contract No. CA15-328, for the completion of renovations and improvements to RFK Memorial Stadium prior to the opening day of the 2005 Major League Baseball season.

RESOLVED, BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the "Contract No. CA15-328, Proposed Design/Build Contract of the RFK Memorial Stadium Renovation MLB Project Emergency Approval Resolution of 2004".

Sec. 2. (a) Contract No. CA15-328, is critical for the completion of renovations and improvements at RFK Stadium by April 1, 2005 prior to commencement of home baseball games by the Washington Nationals and resumption of home soccer matches by DC United.

(b) The total value of the contract is \$18.4 million.

Sec. 3. Pursuant to section 451(b) of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 803; D.C. Official Code § 1-204.51(b)), the Council approves Contract No. CA 15-328.

Sec. 4. The Secretary to the Council shall submit a copy of this resolution, upon its adoption, to the Mayor.

Sec. 5. This resolution shall take effect immediately.